

Numbers paint better picture: State second in nation in growth of 'knowledge' jobs

By Amy Lane

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LANSING — Since late 2004, Ann Arbor research and development company **T/J Technologies Inc.** has hired four people, and it's looking for one or two more.

In the thousands of Michigan jobs gained, lost and routinely posted as statistics, the growth of a 25-employee company involved in alternative-energy materials technologies barely makes a ripple.

But it's the type of expansion that is one of the buried bright spots in the state's employment picture.

Jobs in professional, scientific and technical services not only held their own but grew during Michigan's economic downturn. New **U.S. Census Bureau** data shows Michigan added 91,077 such jobs from 2000 through 2003, second only to California.

"I was very surprised," said Kurt Metzger, research director in the **Center for Urban Studies** at **Wayne State University**. "In this overwhelming bad news that we keep seeing ... it does give you pause to at least say maybe the base is being developed, that Michigan is attracting that kind of workforce."

STATE EMPLOYMENT BY SECTOR			
Sector	2000	2003	% change
Construction	203,994	168,646	-17.3%
Manufacturing	819,227	679,638	-17% change
Retail trade	544,525	521,126	-4.3% change
Professional/scientific/technical	208,560	299,637	43.7%
Educational services	55,905	64,531	15.4%
Health care/social assistance	488,779	521,726	6.7%

Source: U.S. Bureau of the Census

"Not only are they the jobs that are growing, but even more significantly, they're the jobs with high wages ... and more than making up the payroll loss in manufacturing jobs."

According to the census data, Michigan's annual manufacturing payroll dropped by more than \$5.7 billion, or 15.2 percent, from 2000 through 2003, while payroll rose by \$7.4 billion, or 75.3 percent, for professional, scientific and technical services.

The “knowledge-based” sector encompasses jobs in a broad swath of professions, including legal and accounting services, engineering, environmental consulting, scientific research and development, graphic design, architectural services, custom computer programming and advertising, said Jim Rhein, labor market analyst with the **Michigan Department of Labor and Economic Growth**.

And the latest data from the department shows continuing, if incremental, expansion.

Compared with a year ago, Southeast Michigan’s professional, scientific and technical services jobs grew slightly, while statewide the sector stayed nearly flat. From second-quarter 2004 to second-quarter 2005, the sector’s jobs in the Detroit and Ann Arbor metropolitan statistical areas rose from 178,900 to 180,000.

Helping the growth were companies such as T/J Technologies, which designs, develops and manufactures advanced materials and devices for alternative-energy technologies. Applications include lithium-ion batteries and fuel cells.

President and CEO Maria Thompson said she’s seen growth of technology firms in the Ann Arbor area, creating a region that in turn helps companies recruit more employees (*see related story, Page 12*). “If there’s other high-tech companies and they see that it’s a vibrant area, then they feel more secure in coming and taking a risk with you. Because they know that if it doesn’t work out, they don’t have to uproot their family” and can find other employment, she said.

Over the past year, the Detroit and Ann Arbor metropolitan statistical areas have also added jobs in larger sectors, such as construction, and educational and health services. But manufacturing employment continues to decline, dropping 2.9 percent in the Detroit area and 4.4 percent in the Ann Arbor area from 2004’s second quarter.

The Detroit MSA encompasses Wayne, Oakland, Macomb, Lapeer, Livingston and St. Clair counties; the Ann Arbor MSA consists of Washtenaw County.

Washtenaw County’s second-quarter unemployment rate was even with a year ago at 4.4 percent. But the Detroit MSA’s unemployment rate rose to 7.3 percent in second-quarter 2005, compared with 6.7 percent in second-quarter 2004.

“The Detroit area still continues, of the major metropolitan areas in the country, to have one of the highest rates,” Rhein said. However, he said, the rate of job decline in both the Detroit area and the state has moderated from past years.